
Memorandum for:

Attached is a memorandum for Hugh DeSantis, State Department, Policy Planning Bureau, on the background and objectives of Bonn's intra-German policy.



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**Office of European Analysis
Directorate of Intelligence**

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MEMORANDUM

West Germany: Pushing Increased Intra-German Ties

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Although East Berlin had threatened INF deployments would introduce an "ice age" in intra-German relations, recent months have witnessed a substantial increase in bilateral activity. From Bonn's vantage point, East Berlin's willingness to increase contacts marks a welcome respite from East-West tensions, and the Kohl government almost certainly will continue to press for yet closer ties to the Honecker regime. West German politicians realize that definite strategic and legal limits to closer political cooperation remain, but they continue to hope for progress in the humanitarian and economic fields. Continued success, however, could create rising expectations and increase the pressure on Bonn to reach unfavorable compromises in hopes of maintaining the positive trend in intra-German developments.

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The Thaw

Since deployment last fall, there has been a flurry of intra-German contacts. Barely a month after the Bundestag vote in November to accept Pershing II and cruise missiles, the East German regime and the West Berlin Senate reached agreement on the longstanding "S-Bahn" question regarding operation of the city's old subway system. In February, Chancellor Kohl and East German leader Erich Honecker met in Moscow while attending Andropov's funeral. Those present characterized the discussions as positive and friendly. The same characterization has been applied to subsequent meetings between East and West German politicians and labor officials, particularly during the Leipzig Trade Fair in March, when a DM 300 million steel processing agreement was announced.

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During the same period, West Germany has received a flood of legal emigrants from the East. In the first three months of 1984 alone, nearly 15,000 East Germans departed for the West, surpassing the total number that either fled or emigrated in all of 1983. Bonn has chosen to view the emigration as a positive move in response to the credit line extended to East Berlin last July.

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[redacted] negotiations are now underway for a new credit, at least equal to the DM 1 billion arranged last summer. Officials in Bonn have stated that this new deal must include tangible political concessions. The previous loan generated some criticism within the governing Christian Union parties because it was not tied to any specific quid-pro-quo. US officials note that Christian Social Union chairman Franz Josef Strauss has since discussed reductions in the minimum currency exchange requirement for West German travellers in the East and an easing of travel restrictions for East Germans as possible concessions. Both are topics of considerable importance to the West Germans. [redacted]

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Continuity in Bonn

All this represents a welcome development for the Kohl government, which has sought to convince the Honecker regime of the new coalition's desire to preserve the Ostpolitik of its Social Democratic predecessors. Throughout the 1970s, the Christian Democrats opposed closer ties with East Germany, and some party members even challenged the legality of the Basic Treaty between the two states in the Federal Republic's constitutional court. Once in power, however, members of the Kohl government immediately began to reassure the East Germans of Bonn's intention to respect the existing treaties, as well as their desire to press for improvements in cultural and economic exchanges. Indeed, Kohl reportedly claimed his government, unlike Helmut Schmidt's, would not link reductions in the currency exchange requirement to talks in other areas. [redacted]

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INF deployments posed an additional problem for Kohl's government. Numerous observers and politicians in both countries speculated openly on the damage missile deployments would do to German-German ties, especially after leaders in Moscow threatened to halt all arms control talks and to begin counterdeployments in the East once the missiles arrived. Bonn sought to insulate intra-German relations from any possible fallout, and we believe this largely explains the credit arrangement last July. Kohl clearly wanted to display the benefits of continued German-German ties, and West German officials publicly characterized the guarantee as an attempt to establish a basis of trust between the new partners in intra-German affairs. [redacted]

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[redacted] While the initial response -- adjustments in travel and currency exchange regulations and the removal of a few automatic shooting devices along the border -- were described as inadequate, West German officials now list the emigration wave and the treatment of asylum seekers in Western embassies as sufficient compensation. [redacted]

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Despite the criticism emanating from sectors of the conservative camp, the credit arrangement underscored the peculiar freedom that Bonn's center-right coalition enjoys. This is most evident in the role of Strauss, long a harsh critic of the eastern regime and the SPD's Ostpolitik. His participation has coopted most of the right and brought into the drama one of the country's most colorful and ambitious politicians. Indeed, we believe a Social Democratic government would have faced much stronger criticism had it arranged a similar deal. [redacted] discussions for just such a loan arose after the Schmidt-Honecker meeting in 1981, but the Schmidt government did not believe it could approve a credit in light of deteriorating East-West relations. [redacted]

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All this suggests that a public consensus in favor of closer German-German ties has grown over the last few years. Polls indicate that a vast majority of West Germans support improvements in bilateral relations, and that a majority endorses government moves in this direction; this may explain the reversal of politicians such as Strauss. The consensus among the country's parties, US officials note, was clear during the Bundestag debate that followed the Chancellor's state-of-the-nation speech in March. Only the Greens challenged the fundamentals underlying the government's policy. [redacted]

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Kohl's Objectives

Observers who expect to find a blueprint or a timetable in Bonn for German reunification will be disappointed. While polls indicate that most West Germans -- including Kohl -- still endorse the notion of reunification, few consider it a realistic alternative at present. Instead, the Kohl government probably hopes to press for agreements that will permit the greatest possible degree of contacts. As he stated in his Bundestag speech, Kohl hopes only to keep alive the concept of a common German nation. Expanding cooperation and more frequent personal contacts are probably viewed as the way to combat the growing notions of separate German homelands by reinforcing the image of a common cultural and historical legacy. At the same time, these moves would improve the lives of East Germans, for whom Bonn continues to feel a genuine concern. [redacted]

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In our view, Kohl is confident that closer ties to East Germany will not threaten his country's adherence to the Western Alliance. He has clearly stated that freedom remains a key element in the German question, and that the Federal Republic is firmly anchored in the West through its democratic political system. Kohl realizes that only membership in NATO grants West Germany the support necessary to negotiate with the East without sacrificing the Republic's political and social principles. Indeed, we believe the Kohl government hopes the current round of intra-German activity will reaffirm the country's links to NATO by showing the West German public that close ties between the Germans are not incompatible with adherence to NATO, a point disputed during the INF debate last year. [redacted]

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Limits and Prospects

For the present, Bonn's intra-German policy will avoid challenging the existing balance of power on the continent. Kohl reportedly recognizes that intra-German movement is possible only as long as neither Germany questions the allegiance of the other to its respective alliance. Bonn also recognizes Moscow's strategic interests in Eastern Europe, as well as the need to avoid encouraging domestic instability in East Germany. [REDACTED]

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Nonetheless, West German leaders appear to believe East Berlin has won a degree of flexibility in its dealings with the West, largely because of Moscow's internal preoccupations following the change in leadership. As a result, we expect Bonn to push new initiatives in order to take advantage of the opportunity and build as many bridges over the partition as possible. Improvements are most likely to come in the realm of cultural, environmental, and economic contacts. This fall, [REDACTED] Honecker and Kohl may hold an intra-German summit, possibly in the Saar, Honecker's birthplace. Moreover, Bonn might announce a new credit guarantee shortly before a Honecker visit, if only to create a positive atmosphere for a summit. [REDACTED]

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Among negotiations currently underway are a series of environmental talks aimed at cleaning the rivers running through or between the two states, such as the Elbe and Werra. Bonn is also looking for compromises on cultural and scientific and technical exchanges, stalled at the moment over application of the Berlin Clause.* [REDACTED]

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* Bonn always seek to attach a "Berlin Clause" to international agreements with other states, stipulating that the treaty applies as well to West Berlin. This raises difficulties for East Germany, which seeks to avoid any precedent recognizing legal ties between West Berlin and the Federal Republic. [REDACTED]

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Ultimately, closer German-German ties confront the irreconcilable differences posed by East Germany's desire for recognition of its sovereignty and status as a legitimate German state and West Germany's constitutional mandate to avoid just that by seeking reunification. This clearly sets limits on the degree of political cooperation possible between the two states. Yet, even here West German politicians are looking for ways to surmount traditional obstacles. Members of the major parties are seeking a modus vivendi with the East on regulation of the Elbe River border, one of Honecker's Gera Demands.** Discussions on the future of the Salzgitter Documentation Center, which collects evidence of human rights abuses in East Germany, have also indicated a growing willingness in the West to consider its abolition. US officials have also noted declining resistance to the idea of regular parliamentary relations between the two national assemblies, evident most recently in the debate that followed the visit of an SPD delegation to East Berlin. [REDACTED]

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The danger for the Kohl government ironically lies in the current popularity of German-German relations. The competition for the intra-German spotlight, evident in the travel plans of West German politicians and the discussions of the Gera Demands, could leave Bonn vulnerable to hard bargaining by the East. In their eagerness to cement ties with East Berlin, Bonn could also agree to settlements establishing precedents that question Western rights, for example, in Berlin. More likely is a growing set of expectations accompanying the recent level of activity, which could increase the political costs of a reduction in ties. This, in turn, could increase the pressure on Bonn not only to preserve the ties developed over the last year, but to search for new areas of agreement to maintain the momentum of intra-German activity. [REDACTED]

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** In 1980 Honecker listed four demands to be met for improvements in intra-German relations: changes in the Elbe River border according to international law, the abolition of the Salzgitter Documentation Center, the upgrading of both countries' permanent representations to embassies, and recognition by Bonn of East German citizenship. [REDACTED]

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